

Jay Bennett
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Federal Regulatory Relations

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March 11, 1996

MAR 11 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: *Second Further Notice of Proposed Rulemaking in CC Docket 94-1*

On Friday, March 8, 1996, Nancy Lubamersky (Executive Director of Industry Marketing - Pacific Bell), Laura Schwartz (Staff Manager of Industry Marketing - Pacific Bell), and I met with the individuals listed below to discuss the attached materials.

- Ms. Lauren J. (Pete) Belvin, Senior Legal Advisor to Commissioner Quello
- Dr. Joseph Farrell, Chief Economist in the Office of Plans and Policy,
Mr. Mark Uretsky and Mr. Greg Rosston
- CCB Tariff Division Staff: Mr. Jim Schlichting (Chief), Mr. Steve Weingarten,
Mr. Rich Learner, Ben Bartolome, Andrea Kearney and Mr. David Sieradzki
- Mr. Jim Casserly, Senior Legal Advisor to Commissioner Ness
- Mr. John Nakahata, Special Advisor to Chairman Hundt
- CCB Front Office: Ms. Regina Keeney (Chief), Mr. Jim Schlichting,
Mr. Larry Atlas and Mr. Richard Metzger

During our meetings we provided updated evidence of the competitive access marketplace in California using the San Diego area as a "case study". We described the intrastate use of contract-based service offerings in California. We concluded by

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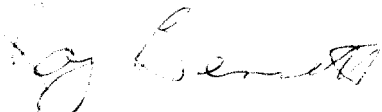
William F. Caton
July 13, 1995
Page 2

explaining the customer benefits of allowing Pacific Bell to offer interstate services under contract (in *addition* to our existing tariffed services), as described in our Comments filed on December 11, 1995.

Because the meetings extended late into the afternoon, this notice is being filed on the following business day. Please associate this material with the above referenced dockets.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules. Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Jay Bennett

Attachments

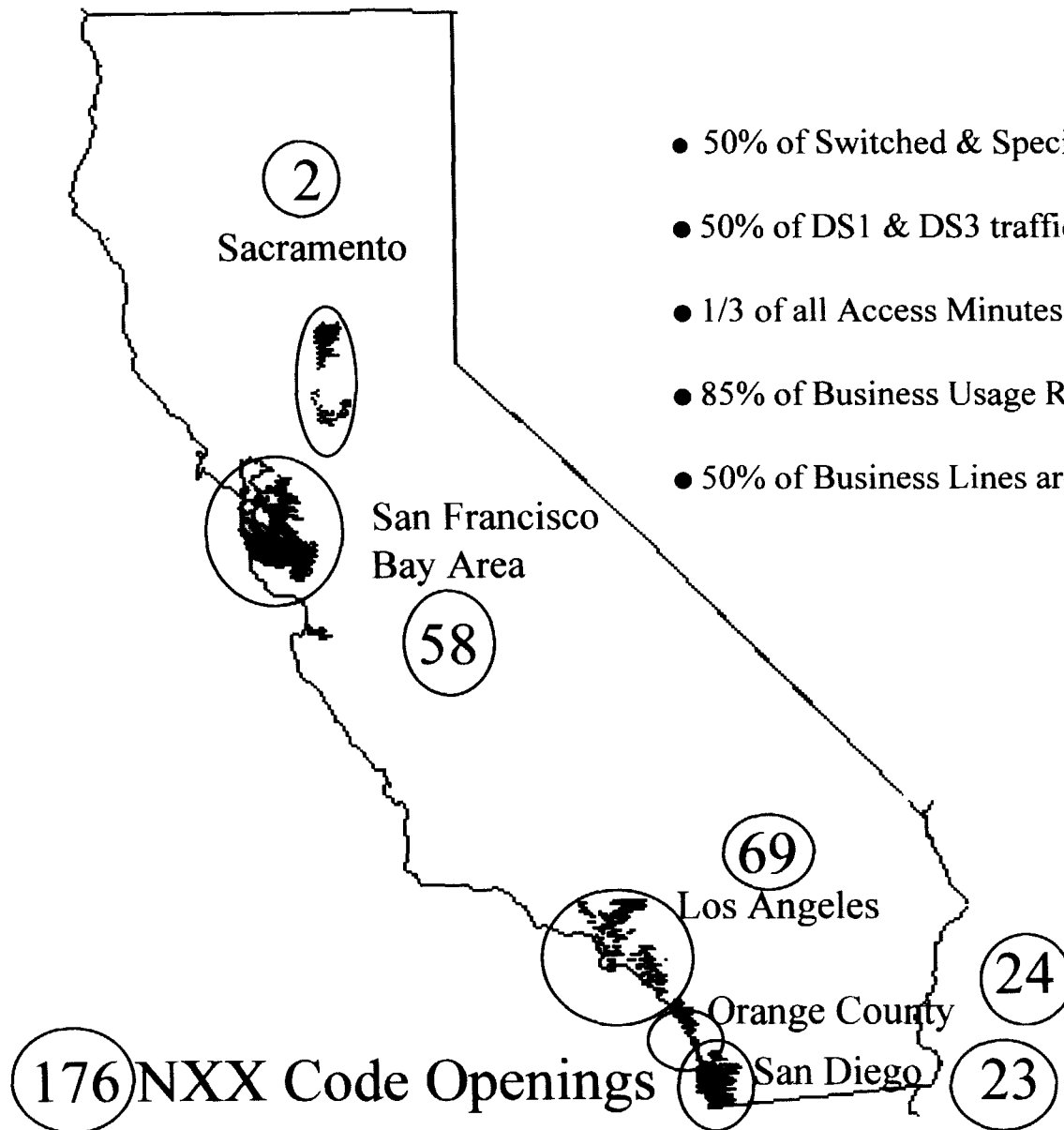
cc (w/o attachments): Ms. Lauren J. (Pete) Belvin
Dr. Joseph Farrell
Mr. Jim Schlichting
Mr. Steve Weingarten
Mr. Rich Learner
Mr. David Sieradzki
Mr. Jim Casserly
Mr. John Nakahata
Ms. Reginal Keeney
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Mr. Mark Uretsky
Mr. Greg Rosston
Mr. Larry Atlas
Mr. Richard Metzger

Pacific Bell

California Competitive Update

- San Diego Case Study
- Contract Flexibility Needed Now

California is Highly Concentrated

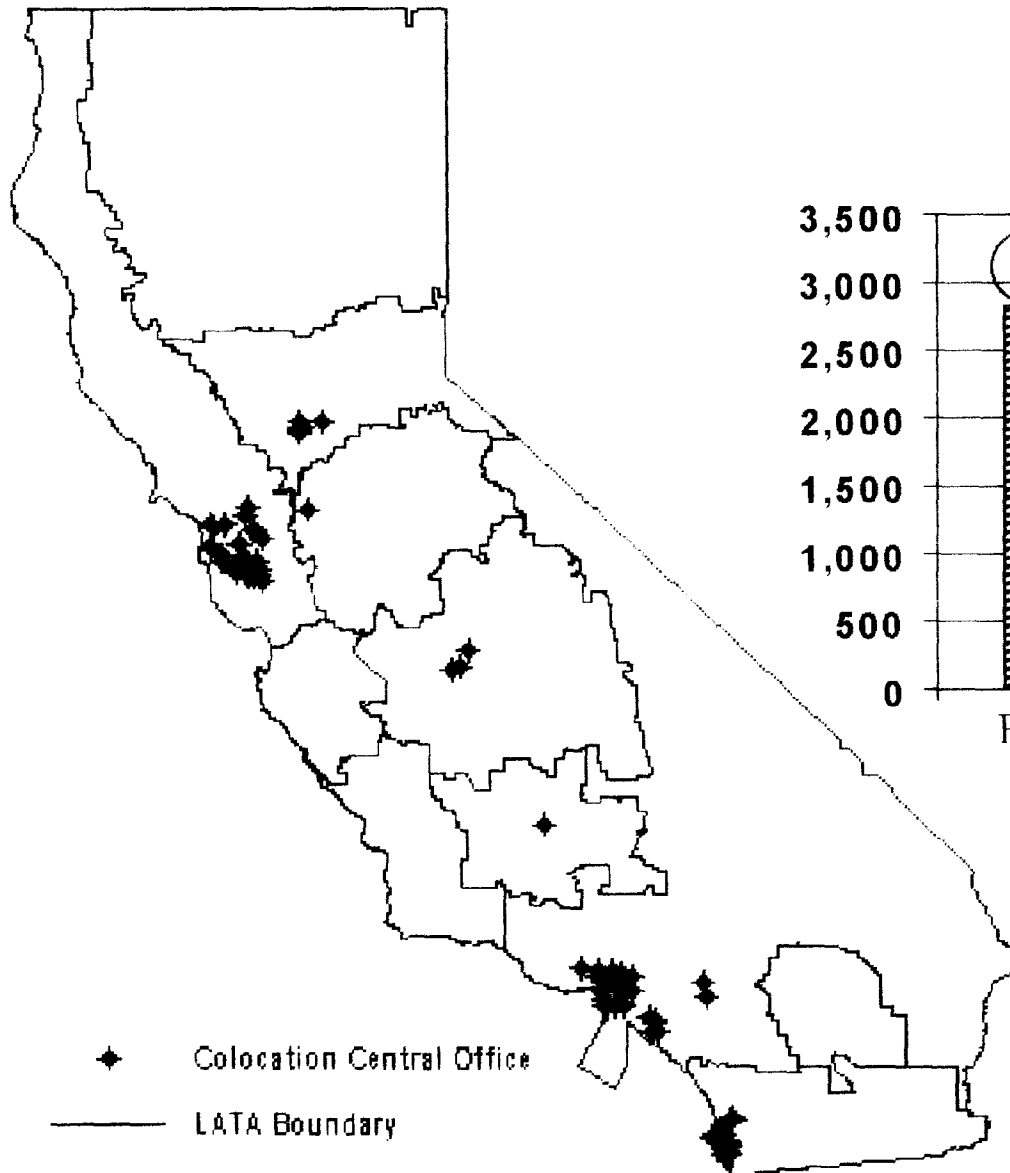
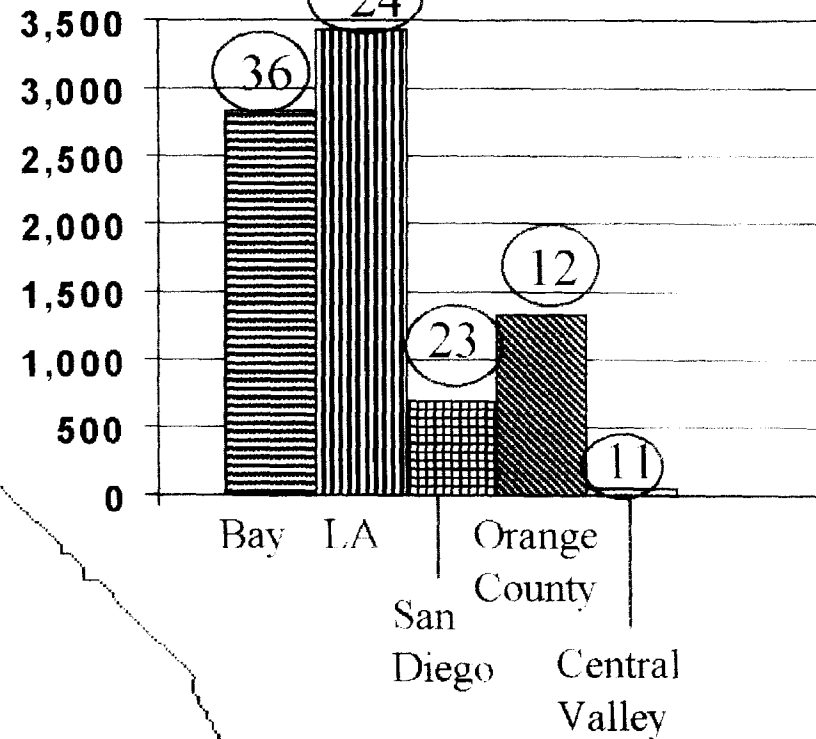


- 50% of Switched & Special Access traffic is in 4% of our Wirecenters
- 50% of DS1 & DS3 traffic is in 3% of our Wirecenters
- 1/3 of all Access Minutes are in 6% of our Wirecenters
- 85% of Business Usage Revenue comes from 5% of our serving area
- 50% of Business Lines are in 10% of our Wirecenters

DS1 Equivalent Cross Connects

in

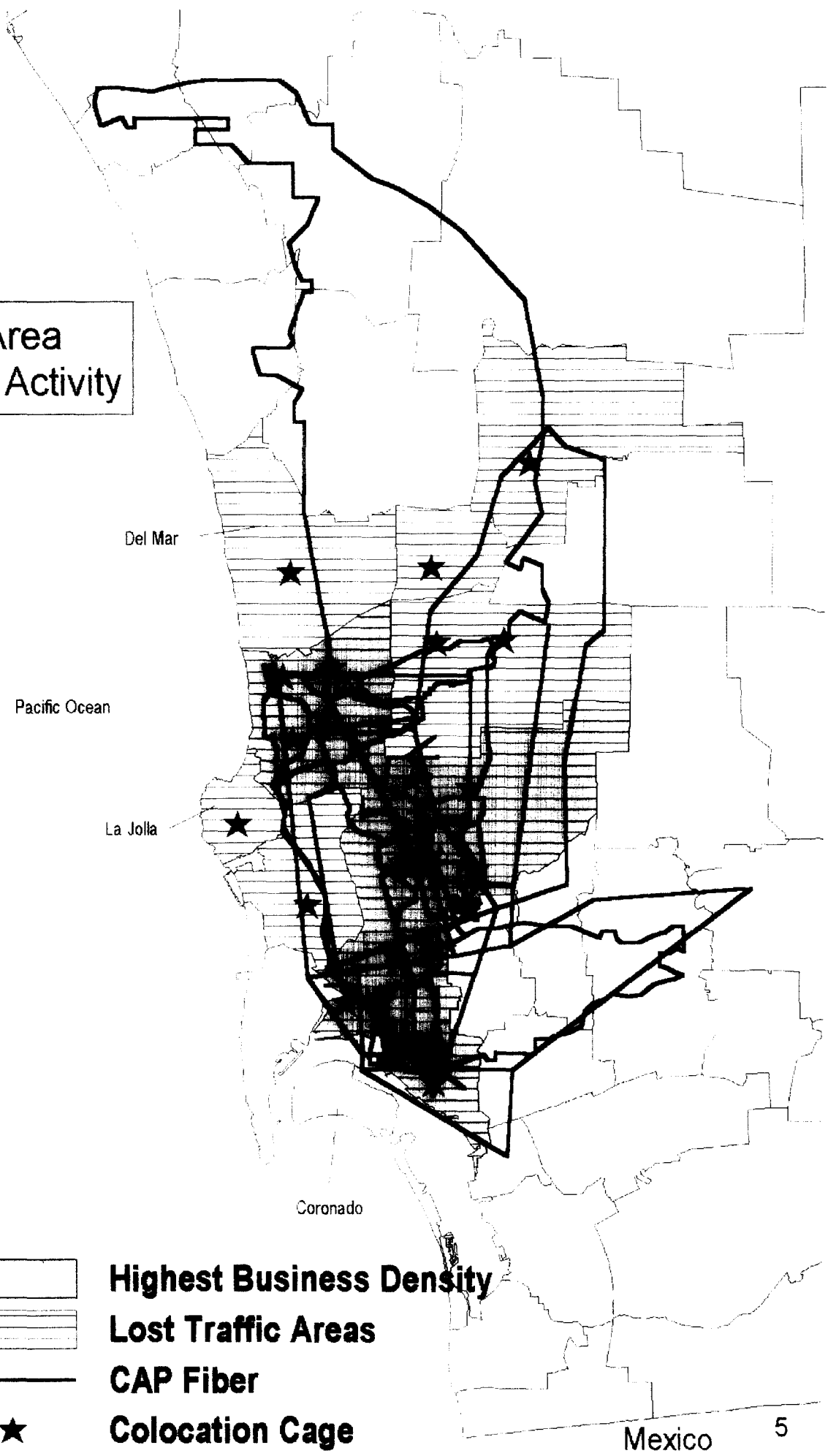
106 Colocation Cages



Competition is Thriving in California

- 10XXX Intra-LATA Toll dialing effective 1/1/95
- 1/1/96 Facilities based competition
- 3/13/96 Resale of all Retail Products, metered Links
- 1/1/97 Network Unbundled - Links, Ports, SS7
- 66 companies have requested certification to provide local dial tone in California
 - 31 certified 1/1/96 for local dial tone competition
 - 63 requests for resale
 - 37 requests for facilities-based and resale
 - 3 requests for facilities-based only

San Diego Area Competitive Activity



Del Mar

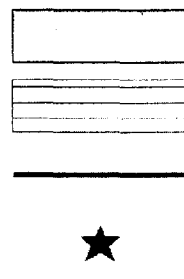
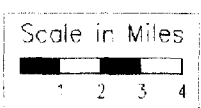
Pacific Ocean

La Jolla

Coronado

Mexico

5



Highest Business Density
Lost Traffic Areas
CAP Fiber
Colocation Cage

Regulatory Restraints prohibit Pacific from meeting competition

- Statewide or limited zone averaged prices
- At maximum rate disparity between zones as allowed by 91-141
- Unable to match competitors prices even where our costs are low but rates are kept high to subsidize higher cost areas
- Ex. Fiber Advantage DS1 Channel Termination

	Avg. <u>Fiber Feet</u>	PB <u>LRIC</u>	Tariffed <u>Rate</u>
All IEC	8,000	\$ 50	\$135
End-User	21,000	\$100	\$135
Short Haul IEC	1,000	\$ 20	\$135

- Averaged rates “over charge” one set of customers to subsidize the other;
Contracting alleviates this anomaly

Pricing Flexibility Needed Now

- PB must offer tariff based contracts in competitive areas
 - Detailed in 94-1 Comments
 - Increases all customers' options
- Contracts will be offered under same price, terms and conditions to all similarly situated customers
- Price Floor is LRIC, Tariff remains generally available to all
- Contract-based tariffs and rate structure flexibility will better foster robust, competitive markets with maximum consumer benefits

January 8, 1996

Pacific Bell, Industry Markets
370 Third Street, Room 401
San Francisco, CA 94107

This letter is being sent to advise you of intent to migrate access transport traffic in the San Diego area. Specifically, will migrate 47 Switched and Dedicated DS3s in Offices to Time Warner Access, a Competitive Access Provider. The and quantities are listed below:

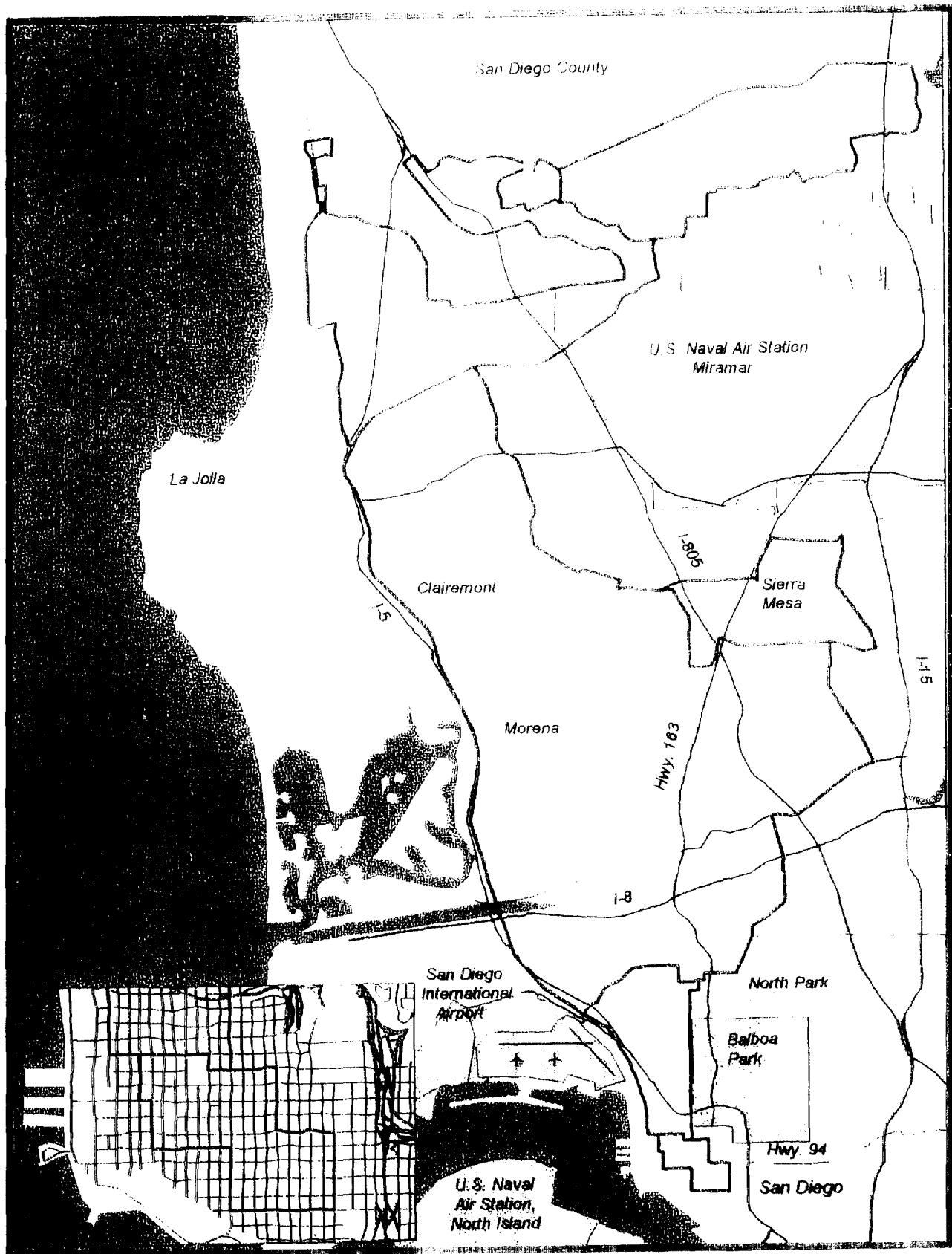
Quantity

SNDGCA01
SNDGCA02
SNDGCA03
SNDGCA15
SNDGCA16
PCBHCA01
RBRNCA11
LAJLCA11
RNPSCA11
DLMRCA12

* DS3s not applicable at this time

Implementation of this project is expected to begin immediately. Infrastructure Engineering group, led by will contact you to arrange a project implementation meeting.

Should you have questions or concerns, you may direct them to



└─ MFS NODE LOCATION

Greater San Diego Network

9605 Scranton Road
Suite 101
San Diego, California 92121
619 625-6250

South Region

(Orange, San Diego, Riverside, San Bernardino & Imperial)

NewsRoundup

MEDIA: S. D. UNION TRIBUNE

PAGE: C1

CITY: SAN DIEGO

DATE: 7/7/94

Teleport spreads fiber-optic links across the county

By JAMES W. CRAWLEY
Staff Writer

For two years, Charles Christ has been keeping his mouth shut.

As local manager of Teleport Communications Group, he has been keeping quiet about the company's installation of fiber-optic cable above and beneath the streets of San Diego.

But starting now, Christ is talking.

Teleport today will unveil its local fiber-optic network, which stretches 212 miles from Oceanside to the downtown area, Point Loma and El Cajon.

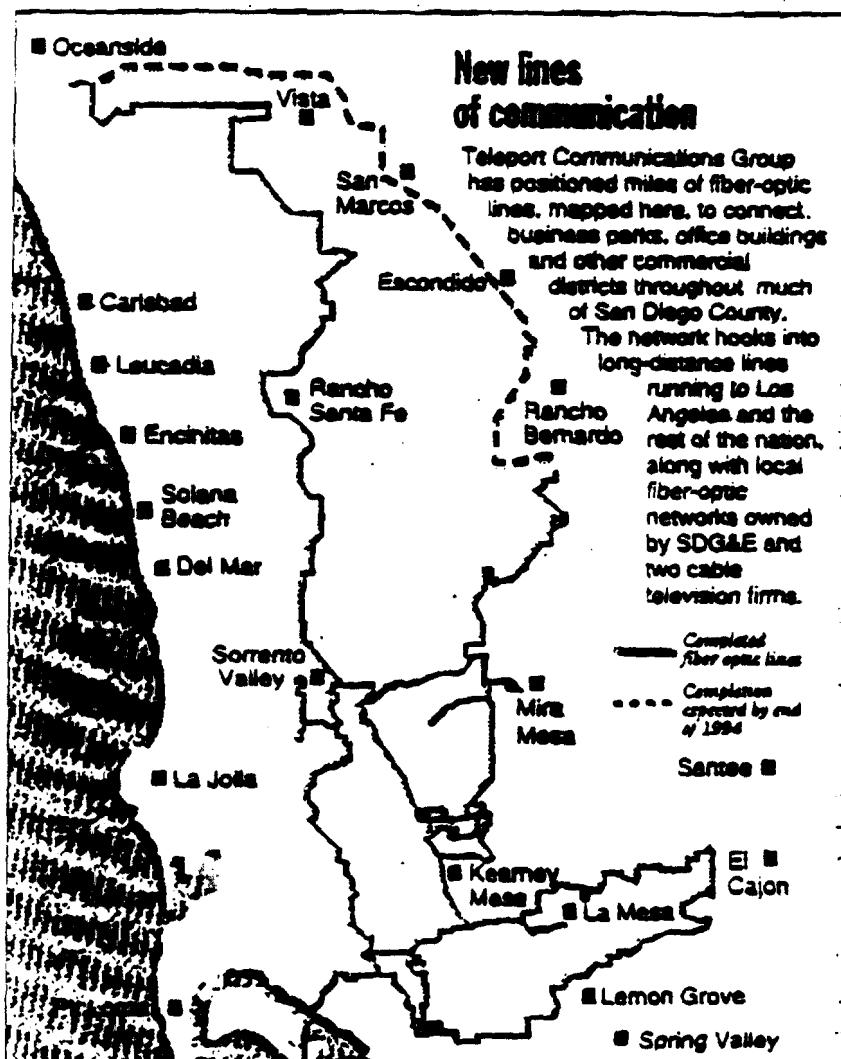
Another segment, parallel to Interstate 15, will connect Rancho Bernardo, Escondido and San Marcos into the Teleport system. By December, the local network should be hooked to another Teleport system based in Anaheim.

The New York-based telecommunications company's local network bypasses Pacific Bell lines by connecting customers to long-distance carriers such as AT&T, MCI and Sprint.

Teleport also connects to fiber-optic networks built by Cox and Dimension cable systems and SDG&E. It even has ties to Pacific Bell switching centers.

"I can go where all those networks go," Christ said.

Teleport, known as a competitive



SOURCE: Teleport Communications

UNION-TRIBUNE

COMPETITIVE PROVIDERS

STATE	EXISTING CITY/AREA	CP	PLANNED CITY/AREA	CP
ALABAMA	Anniston	Interstate FiberNet/MPX		
	Auburn	Interstate FiberNet/MPX		
	Birmingham	Interstate FiberNet/MPX, Metrex, Privacom	Birmingham	American Comm. Svcs. (ACSI), Intelcom Group
	Gadsden	Interstate FiberNet/MPX	Huntsville	American Comm. Svcs. (ACSI)
	Homewood	Metrex	Mobile	American Comm. Svcs. (ACSI), Intermedia, KMC
	Opelika	Interstate FiberNet/MPX	Montgomery	American Comm. Svcs. (ACSI)
	Tuscaloosa	Interstate FiberNet/MPX		
	Pell City	Interstate FiberNet		
	Leeds	Interstate FiberNet		
ARIZONA	Phoenix	TCG, ICG, GST Telcom, ELI, MFS	Tucson	ACSI, Brooks Fiber, GST Telcom
			Nogales	GST Telecom
			Tempe	IntelCom Group
			Scottsdale	MFS
			Chandler	Teleport
			Mesa	TCI, Times Mirror - Cox
ARKANSAS	Little Rock	American Comm. Svc.	Little Rock	Brooks Fiber Properties, Metro Access
	North Little Rock	American Comm. Svc.	North Little Rock	Brooks Fiber
CALIFORNIA	Alameda	MFS, TCG	Alameda	IntelCom (ICG)
	Altadena	MFS	Bakersfield	Brooks Fiber
	Anaheim	IntelCom Group (ICG), Linktel/TW, MFS, TCG	Belmont	PFI
	Antioch	TCG	Bishop Ranch	TCG, MFS
	Belmont	MFS, TCG	Burlingame	MFS
	Berkeley	TCG	Carlsbad	MFS
	Beverly Hills	MFS, TCG	Chula Vista	Time Warner (TW)
	Brea	TCG	Clairmont	MFS
	Buena Park	MFS	Colton	PLI
	Burbank	IntelCom Group (ICG), MFS, MTEL, TCG	Concord	TCG
	Burlingame	TCG	Costa Mesa	MFS, TCG
	Canoga Park	IntelCom Group (ICG), Linktel/TW, MFS, TCG	Cypress	Linktel
	Carmichael	PFI	Danville	TCG
	Century City	Linktel, MFS, TCG	DelMar	Time Warner (TW), Linktel
	Citrus Heights	PFI	Dominguez Hills	Linktel
	Colton	MFS	Dublin	TCG
	Compton	IntelCom Group (ICG), MTEL, TCG	El Cajon	Time Warner (TW)
	Culver City	MFS, TCG	El Segundo	Linktel
	Cupertino	MFS, TCG	El Sorbranto	TCG
	Daly City	MFS, TCG	Emeryville	TCG

COMPETITIVE PROVIDERS

STATE	EXISTING CITY/AREA	CP	PLANNED CITY/AREA	CP
CALIFORNIA (cont'd)	Davis	IntelCom (ICG)	Fairfield	TCG
	Dominguez Hills	TCG	Fashion Island	IntelCom Group (ICG)
	East Los Angeles	TCG	Folsom	ELI, PFI
	El Segundo	MFS, TCG	Fresno	Brooks Fiber
	Emeryville	MFS	Fullerton	MFS
	Fair Oaks	ELI, PFI	Gardena	MFS
	Folsom	ELI, PFI	Golden Triangle	Time Warner (TW), Linkatel
	Foster City	MFS, TCG	Hayward	MFS, Brooks Fiber
	Fremont	IntelCom Group (ICG), MFS, TCG	Hillsborough	MFS
	Garden Grove	IntelCom Group (ICG), MTEL	Huntington Park	TCG
	Gardena	TCG	Irvine	Linkatel, MFS, IntelCom Group (ICG)
	Glendale	MFS, TCG	Kearny Mesa	Time Warner (TW), Linkatel
	Golden Triangle	MFS, TCG	La Jolla	Time Warner (TW), Linkatel
	Hawthorne	MFS	La Puente	Pacific Lightwave
	Hayward	TCG	Larkspur	TCG
	Hillsborough	TCG	Livermore	TCG
	Hollywood	MFS, TCG	Long Beach	MFS, Teleport
	Inglewood	MFS, TCG	Los Altos	TCG
	Kearny Mesa	MFS, TCG	Los Angeles	Pacific Lightwave (PLI)
	La Jolla	MFS, TCG	Marin	TCG
	Laguna Hills	MFS	Martinez	TCG
	Los Angeles	MFS, TCG, IntelCom Group (ICG), Linkatel	Menlo Park	Brooks Fiber
	Los Gatos	Bay Area Transport	Millbrae	MFS
	Menlo Park	MFS	Mission Valley	Linkatel, Time Warner (TW)
	Milpitas	TCG, MFS, Brooks	Mission Viejo	TCG
	Mission Valley	TCG, MFS	Morena	MFS
	Morgan Hill	Bay Area Transport	Mountain View	TCG
	Mountain View	MFS, IntelCom (ICG)	Napa	TCG
	Newport Beach	MFS, TCG, MTEL/ (ICG), Linkatel/TW	Newport Beach	Linkatel
	North Ridge	MFS	North Ridge	TCG
	Oakland	TCG, MFS, IntelCom Group (ICG)	Novato	TCG
	Ontario	IntelCom Group (ICG), Pacific Lightwave	Ontario	Pacific Lightwave
	Orange	MFS, IntelCom Group (ICG)	Orange	MFS, IntelCom Group (ICG)
	Palo Alto	TCG, MFS, Brooks	Palm Springs	Pacific Lightwave
	Pasadena	MFS	Pasadena	TCG
	Pittsburg	TCG	Petaluma	IntelCom (ICG), TCG
	Rancho Cordova	PFI, ELI, IntelCom Group (ICG)	Pleasanton	TCG, MFS
	Rialto	PLI	Rancho Bernardo	Linkatel, Time Warner (TW), MFS
	Riverside	PLI, IntelCom Group (ICG)	Red Hills	IntelCom Group (ICG)
	Rodondo Beach	MFS, TCG	Redwood City	MFS
	Sacramento	PFI/Brooks, ELI, IntelCom Group (ICG)	Rialto	Pacific Lightwave
	San Bernadino	Pacific Lightwave	Richmond	TCG
	San Bruno	MFS, TCG	Rodeo	TCG

COMPETITIVE PROVIDERS

STATE	EXISTING CITY/AREA	CP	PLANNED CITY/AREA	CP
CALIFORNIA (cont'd)	San Carlos	MFS, TCG	Rodondo Beach	Linkatel
	San Diego	TCG, MFS, Electric Lightwave (EL)	Rohnert Park	IntelCom Group (ICG)
	San Francisco	TCG, MFS, IntelCom Group (ICG)	Sacramento	MFS, TCG, ELI
	San Jose	TCG, MFS, Brooks	San Bernadino	Pacific Lightwave
	San Juan Capistrano	TCG	San Carlos	PFI
	San Leandro	TCG	San Diego	Linkatel, Time Warner (TW)
	San Mateo	MFS, TCG	San Francisco	MFS
	Santa Ana	MFS, IntelCom Group (ICG), Linkatel/TW	San Leandro	MFS
	Santa Clara	TCG, MFS, PFI	San Rafael	MFS
	Santa Monica	MFS, Teleport	San Ramon	TCG
	Sherman Oaks	MFS, TCG, MTEL/IntelCom Group (ICG)	Santa Ana	TCG
	Sorento Mesa	TCG, MFS	Santa Barbara	MFS
	Sunnyvale	MFS, TCG, Brooks	Santa Clara	MFS, TCG, PFI
	Torrance	MFS	Santa Rosa	IntelCom (ICG)
	Van Nuys	MFS, TCG	Santiago	IntelCom (ICG)
	Walnut Creek	IntelCom (ICG)	Sierra Mesa	MFS
	West Hollywood	TCG, MFS	Sonoma	TCG
	West Los Angeles	MFS, Teleport	Sorento Mesa	Time Warner (TW), Linkatel
	West Sacramento	PFI, ELI	Stockton	Brooks Fiber
	Wilshire Corridor	MFS, TCG	Torrance	Linkatel
	Woodland Hills	MFS, TCG, MTEL/IntelCom Group (ICG)	Tustin	MFS, TCG
			Walnut Creek	TCG, MFS
COLORADO	Boulder	IntelCom Group	Boulder	MFS, TCG
	Colorado Springs	IntelCom Group	Denver	MCI Metro
	Denver	IntelCom Group, TCG, MFS		
CONNECTICUT	Hartford	Brooks Fiber Comm, MCI Metro, MFS, TCG	Danbury	Cablevision Lightpath
	Meriden	TCG	New Haven	MFS, TCG
	West Hartford	TCG	New London	TCG
	Windsor	TCG		
	Windsor Locks	TCG		
	Stamford	MFS	Stamford	Cablevision LightPath, MCI Metro
			Torrington	MCI Metro
			Entire State	SPRINT

CPCNs for Authority to Provide Local Exchange Services
1.95-04-044

Petition Number	Applicant Name	Type	Date Filed	Status
17	AddTel Communications, Inc.	Resale	9/1/95	
9	ADNET Telemanagement, Inc.	Resale	9/1/95	
15	Advantage Comm. Group, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
45	Associated Comm. of Los Angeles	Facilities based; resale	9/1/95	Granted D.95-12-057
38	AT&T	Resale	9/1/95	Granted D.95-12-057
21	AWM Messaging Corp. dba Priority 1 + Long Distance	Resale	9/1/95	
40	Bakersfield Cellular Telephone Co.	Facilities based; resale	9/1/95	
10	Bittel Telecommunications	Resale	9/1/95	
24	Brooks Fiber Comm. of Bakersfield, Inc.	Facilities based; resale	8/31/95	Granted D.95-12-057
25	Brooks Fiber Comm. of Fresno, Inc.	Facilities based; resale	8/31/95	Granted D.95-12-057
1	Brooks Fiber Comm. of Sacramento, Inc.	Facilities based; resale	8/24/95	Granted D.95-12-057
2	Brooks Fiber Comm. of San Jose, Inc.	Facilities based; resale	8/24/95	Granted D.95-12-057
27	Brooks Fiber Comm. of Stockton, Inc.	Facilities based; resale	8/31/95	Granted D.95-12-057
53	Business Discount Plan Inc. dba LD Discount Plan	Resale	9/1/95	
62	Cable & Wireless, Inc.	Resale	9/1/95	
29	Cable Plus Company, L.P. dba Telephone Plus	Facilities based; resale	9/12/95	Granted D.95-12-057
26	CalTech International Telecom Corp.	Resale	9/1/95	
66	Caribbean Telephone & Telegraph dba The Long Distance Company		9/1/95	
58	Cellular 2000	Facilities based; resale	9/1/95	
31	Century Telecommunications, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
4	Communication Telesystems Int'l.	Facilities based; resale	8/30/95	
54	Continental Telecommunication of Ca.	Facilities based; resale	9/1/95	Granted D.95-12-057
60	Dial & Save	Resale	8/25/95	
96-01-006	Dialink Corporation	Resale	1/5/96	
23	Electric Lightwave, Inc.	Resale	9/1/95	Granted D.95-12-057
8	Extelcom, Inc. dba Express Tel	Resale	9/1/95	
95-09-069	Falcon Holding Group	Facilities based	9/1/95	
46	Fiber Data Systems, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
13	Fibernet, Inc.	Resale	9/1/95	
95-12-050	Frontier Local Services, Inc.	Facilities based	12/19/95	
19	Genesis Communications, Int'l, Inc.	Resale	9/1/95	
36	GST Lightwave (CA), Inc.	Facilities based; resale	8/31/95	Granted D.95-12-057
37	GST Pacific Lightwave, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
51	GTE Card Services	Resale	9/1/95	
49	GTE Intelligent Network Services Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
48	GTE Mobilnet of California	Resale	9/1/95	

50	GTEC	Facilities based; resale	9/1/95	Granted D.95-12-057
20	ICG Access Services, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
3	Info-Tech Communications	Facilities based; resale	8/31/95	Granted D.95-12-057
95-12-087	Integrated Teleservices, Inc.	Resale	12/21/96	
53	L.D. Services, Inc.	Resale	8/25/95	
39	LCI International	Resale	9/1/95	
12	LDDS Worldcom	Resale	9/1/95	
35	Linkatel Pacific, L.P.	Facilities based; resale	9/1/95	Granted D.95-12-057
64	Long Distance Charges, Inc.	Resale	9/1/95	
43	Mammoth Cellular Corp.	Facilities based; resale	9/1/95	
32	MCI Metro Access Transmission Svcs.	Facilities based; resale	9/1/95	Granted D.95-12-057
5	MFS Intelenet of California	Facilities based; resale	8/29/95	Granted D.95-12-057
47	Napa Valley Telecom dba Ameritel	Resale	9/1/95	
16	National Comtel Network, Inc.	Resale	9/1/95	
18	New Telco, L.P., dba The Sprint Telecommunications Venture	Facilities based; resale	8/31/95	Granted D.95-12-057
28	NextLink of California	Facilities based; resale	9/1/95	Granted D.95-12-057
34	NucomNet	Resale	9/1/95	
7	Pac-West Telecomm, Inc.	Facilities based; resale	9/1/95	Granted D.95-12-057
30	Pacific Bell	Facilities based; resale	9/1/95	Granted D.95-12-057
6	Preferred Long Distance	Resale	9/6/95	
41	SLO Cellular, Inc.	Facilities based; resale	9/1/95	
55	TCG Los Angeles	Facilities based; resale	8/31/95	Granted D.95-12-057
56	TCG San Diego	Facilities based; resale	8/31/95	Granted D.95-12-057
57	TCG San Francisco	Facilities based; resale	8/31/95	Granted D.95-12-057
65	Tele-Matic Corp.	Resale	9/1/95	
44	The Telephone Connection of LA, Inc.	Resale	9/1/95	
96-01-003	Time Warner Connect	Resale	1/3/96	
61	U.S. Long Distance, Inc.	Facilities based; resale	8/31/95	
11	U.S. Voice Telemanagement, Inc.	Resale	9/1/95	
42	United Communications	Facilities based; resale	9/1/95	
14	Universal Pacific Communications	Resale	9/1/95	
52	Venture Technologies Group, Inc. dba Allegro Communications	Facilities based; resale	9/1/95	
33	Viacom Communications Inc.	Facilities based	9/1/95	Granted D.95-12-057
59	Winstar Wireless of California, Inc.	Facilities based; resale	8/25/95	Granted D.95-12-057
22	Working Assets Funding Service, Inc.	Resale	8/30/95	